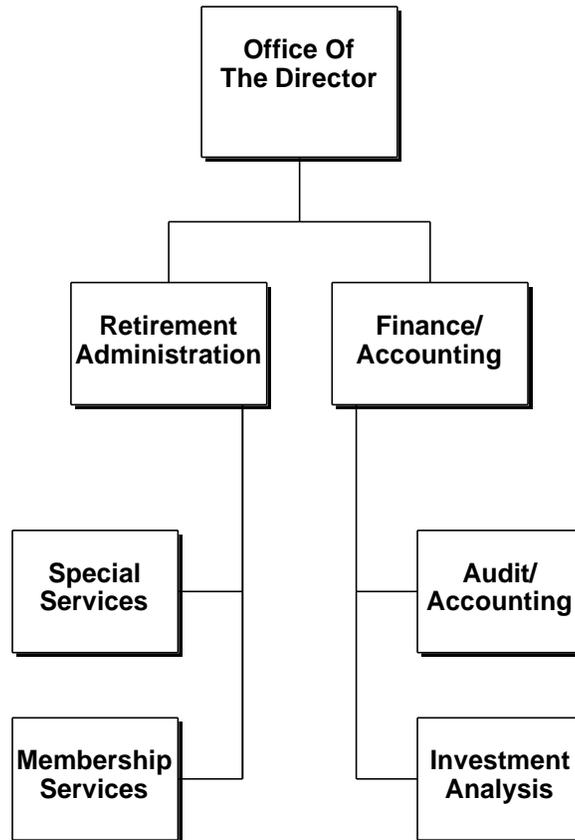


RETIREMENT ADMINISTRATION AGENCY



FUND 500 RETIREE HEALTH BENEFITS FUND

Agency Position Summary

21 Regular Positions / 21.0 Regular Staff Years

Position Detail Information

OFFICE OF THE DIRECTOR

1 Executive Director
1 Administrative Assistant
1 Secretary II
1 Clerk Typist II
4 Positions
4.0 Staff Years

RETIREMENT ADMINISTRATION

1 Retirement Administrator
1 Position
1.0 Staff Year

Special Services

1 Programmer Analyst II
1 Programmer Analyst III
1 Information Officer II
3 Positions
3.0 Staff Years

Membership Services

1 Management Analyst II
3 Retirement Counselors
3 Account Clerks II
1 Clerical Specialist
8 Positions
8.0 Staff Years

FINANCE/ACCOUNTING

1 Investment Manager
1 Position
1.0 Staff Year

Audit/Accounting

1 Accountant II*
1 Account Clerk II
2 Positions
2.0 Staff Years

*1/1.0 SYE Accountant II is financed by Fund 500, Retiree Health Benefits. All remaining 20/20.0 SYE positions are financed jointly by the three retirement trust funds (Fund 600, Fund 601, and Fund 602).

Investment Analysis

1 Senior Investment Manager
1 Investment Analyst
2 Positions
2.0 Staff Years

FUND 500

RETIREE HEALTH BENEFITS FUND

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:

- The 2.5 percent cost-of-living/market rate adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action result in an increase of \$1,586 to Fund 500, Retiree Health Benefits.
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County Executive Proposed FY 2001 Advertised Budget Plan



Agency Overview

On June 29, 1987, the Board of Supervisors authorized the payment of a subsidy of \$30 per month for health insurance per participating retiree. The subsidy was made available to both County and School retirees and payments began in August 1987. In order to participate, retirees must have attained age 62 or be on disability retirement and must have health benefit coverage in a plan provided by the County. In FY 1991, the Board of Supervisors raised the subsidy to \$45 per month. In FY 1994, this fund was limited to County retirees only, with Schools' retirees receiving benefits from Schools' appropriations. In FY 1999, the Board of Supervisors raised the subsidy to \$60 per month.

In FY 2000, as part of the FY 1999 Carryover Review, the Board of Supervisors raised the subsidy an additional \$40 per month from \$60 to \$100 and lowered the minimum eligibility age from 62 to 55. Implementation of these changes took effect October 1, 1999. It should be noted that this brings County benefit payments to the same level as School benefit payments.

During FY 2001, the average number of beneficiaries, including new retirees, disability retirees, and current retirees who will reach the age of 55, is expected to increase by 154, or 10.7 percent, from 1,444 in FY 2000 to 1,598 in FY 2001.

As a result, benefit payments are expected to increase by \$423,060, or 28.6 percent, from \$1,479,540 in FY 2000 to \$1,902,600 in FY 2001 due to the increase in beneficiaries and the full year funding of the \$40 per month increase in the benefit subsidy.

In FY 2001, the General Fund Transfer increases by \$416,575, or 28.2 percent, over the *FY 2000 Revised Budget Plan* level of \$1,479,425 to \$1,896,000. In addition, an amount of \$74,786 is appropriated from fund balance to FY 2001 requirements.



Funding Adjustments

The following funding adjustments from the FY 2000 Revised Budget Plan are necessary to support the FY 2001 program:

- An increase of \$1,890 due to the implementation of the Pay for Performance program in FY 2001. The new system links annual pay increases to employee performance.

FUND 500

RETIREE HEALTH BENEFITS FUND

- An increase of \$1,098 due to the implementation of the Market Pay Study. As a result of the Study, incumbents in job classes that are found to be one grade below the market will be moved to the appropriate grade and receive a 2.0 percent market adjustment. Incumbents in classes found to be two or more grades below the market will be moved to the appropriate grade and receive a 4.0 percent market adjustment. In addition, funding is held in reserve to provide all employees with a 2.5 percent cost-of-living/market adjustment.
- An increase of \$2,521 based on the grade of existing employees.
- An increase in benefit payments of \$423,060, or 28.6 percent, based on the current retiree population and the projected rate of participation of new retirees. This increase is due to an increase in the number of beneficiaries, full year costs of the increase in the monthly subsidy from \$60 to \$100, and the reduction of the minimum eligible age from 62 to 55 as approved by the Board of Supervisors during the FY 1999 Carryover Review. The increase was effective for only nine months in FY 2000 but will be in place for a full 12 months in FY 2001.

The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan since passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999:

- An increase in benefit payments in the amount of \$642,180 associated with an increase of \$40 per month in the monthly subsidy from \$60 to \$100 and the reduction of the minimum eligible age from 62 to 55 approved by the Board of Supervisors during the FY 1999 Carryover Review.

FUND 500
RETIREE HEALTH BENEFITS FUND

FUND STATEMENT

Fund Type G50, Internal Service Funds

Fund 500, Retiree Health Benefits

	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Beginning Balance	\$176,096	\$96,203	\$170,989	\$109,786	\$109,786
Transfer In:					
General Fund (001)	\$759,690	\$837,245	\$1,479,425	\$1,896,000	\$1,896,000
Total Transfer In	\$759,690	\$837,245	\$1,479,425	\$1,896,000	\$1,896,000
Total Available	\$935,786	\$933,448	\$1,650,414	\$2,005,786	\$2,005,786
Expenditures:					
Benefits Paid	\$706,488	\$837,360	\$1,479,540	\$1,902,600	\$1,902,600
Administrative	58,309	61,088	61,088	66,600	68,186
Subtotal Expenditures	\$764,797	\$898,448	\$1,540,628	\$1,969,200	\$1,970,786
COLA/MRA Reserve	0	0	0	1,586	0
Total Expenditures	\$764,797	\$898,448	\$1,540,628	\$1,970,786	\$1,970,786
Total Disbursements	\$764,797	\$898,448	\$1,540,628	\$1,970,786	\$1,970,786
Ending Balance	\$170,989	\$35,000	\$109,786	\$35,000	\$35,000